

STATE PUBLIC WORKS BOARD

915 L Street, Ninth Floor
Sacramento, CA 95814-3701
(916) 445-9694

STATE PUBLIC WORKS BOARD

October 10, 1997

MINUTES**PRESENT:**

Carl Rogers, Program Budget Manager, Department of Finance
Peter Stamison, Department of General Services
James Van Epps, Department of Transportation
Steve Spears, State Treasurer's Office
Rick Chivaro, State Controller's Office

ABSENT:

Director, Employment Development Department, Advisory Member
Assembly Member Joe Baca, Legislative Advisor
Assembly Member Diane Martinez, Legislative Advisor
Assembly Member Kevin Shelley, Legislative Advisor
Senator Quentin L. Kopp, Legislative Advisor
Senator Leroy F. Greene, Legislative Advisor
Senator Richard G. Polanco, Legislative Advisor

STAFF PRESENT:

Shelley Mateo, Administrative Secretary, State Public Works Board
Sue Bost, Assistant Administrative Secretary, Department of Finance
Leyne Milstein, Budget Analyst, Department of Finance
Peggy Palmertree, Secretary, State Public Works Board

CALL TO ORDER AND ROLL CALL:

The meeting was called to order by Mr. Carl Rogers, Chairperson, Program Budget Manager, Department of Finance at 10:03 a.m. Ms. Shelley Mateo, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES:

Ms. Mateo reported staff had reviewed the August 12, 1997 and August 17, 1997 Special Meeting minutes and believed them to accurately reflect the Board's proceedings at the meetings and recommended approval.

Hearing no objections, the minutes of August 12, 1997 and August 17, 1997 were unanimously approved.

BOND ISSUES:

Ms. Mateo reported that there were four bond items for consideration, but that Items #1 and #2 were withdrawn, and will be presented at next months meeting.

Ms. Mateo noted that Item #3 was a technical correction to a previous action at the Board's September 12th meeting, and that the action taken today would revise the resolution from that meeting to delete series reference.

Ms. Mateo indicated that staff recommends approval of the resolution.

A motion was made by Mr. Spears and seconded by Mr. Van Epps to approve Agenda Item #3 of the bonds calendar. The motion was unanimously adopted by a 5-0 vote.

Ms. Mateo reported that Item #4 to adopt a resolution, will authorize the issuance of lease revenue bonds for nine construction projects and one equipment project for the University of California. Ms. Mateo indicated that the maximum true interest cost and par amount, per the resolution, are 6.25 percent and \$186,850,000 respectively.

Ms. Mateo noted that staff recommends approval of the resolution.

A motion was made by Mr. Spears and seconded by Mr. Van Epps to approve Agenda Item #4 of the bonds calendar. The motion was unanimously adopted by a 5-0 vote.

CONSENT CALENDAR:

Ms. Mateo noted that the consent calendar includes Items #5 through #11. Item #5 however, has been removed from the agenda because the Legislative Analyst has requested additional time to consider the related scope change notification pursuant to Section 13332.11 of the Government Code.

Ms. Mateo indicated that the revised consent calendar proposes three requests for approval of preliminary plans, three requests for site selection and acquisition, and two requests for recognizing anticipated deficits.

Ms. Mateo reported that none of the remaining items on the consent calendar has a related 20-day notification letter to the Legislature.

Ms. Mateo noted that staff recommends approval of the revised consent calendar, Items #6 through #11.

A motion was made by Mr. Van Epps and seconded by Mr. Stamison that the revised consent calendar be adopted to approve Agenda items #6 through #11. The motion was unanimously approved by a 3-0 vote.

ACTION ITEMS:

Ms. Mateo indicated there was one action item.

Ms. Mateo reported that Item #12 is to adopt a resolution declaring the State Public Works Board's official intent to reimburse certain capital outlay expenditures from proceeds of tax-exempt indebtedness. Ms. Mateo also reported that the resolution is required annually pursuant to Securities and Exchange Commission regulations.

Ms. Mateo noted that staff recommends approval of the annual resolution.

A motion was made by Mr. Chivaro and seconded by Mr. Spears to approve Agenda Item #12 of the Action Calendar. The motion was unanimously approved by a 5-0 vote.

REPORTABLES:

Ms. Mateo indicated there were seven reportables.

OTHER BUSINESS

Ms. Mateo reported one item for other business.

Ms. Mateo indicated that Item #13 Audit Findings, Property Acquisitions, is an informational item only.

Ms. Mateo noted that in January of 1997, the State Auditor made audit findings regarding the Habitat Conservation Funds. Ms. Mateo also noted that during the audit, the State Auditor concluded that the Department of General Services had removed the detailed policies and procedures that had been set forth in the State Administrative Manual regarding the acquisition process, and that this absence could contribute to incorrect acquisition activities.

Ms. Mateo reported that because the Public Works Board is the State's acquisition authority and uses General Services real estate staff as its agent, that Public Works Board staff inquired whether Department of General Services planned an audit response.

Ms. Mateo noted that a copy of the letter sent to General Services and the response from the Deputy Director for the Real Estate Services Division, Mr. Eugene Spindler have been given to the Board members.

Ms. Mateo indicated that Mr. Spindler states that General Services plans to develop guidelines and policies using the old State Administrative sections as a model, and to disseminate that information to departments.

NEXT MEETING:

Ms. Mateo noted that the next PWB meeting is scheduled for November 14, 1997 at 10:00 a.m.

Having no further business, the meeting was adjourned at 10:08 a.m.

BOND ITEMS

BONDS – ITEM 1

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA INSTITUTION FOR MEN, SAN BERNARDINO COUNTY
Denitrification Plant

*Authority: Chapter 139/94, Item 5240-301-723(3) as reappropriated by:
Chapter 303/95, Item 5240-491-723(3)
Chapter 282/97, Item 5240-301-0660(3)*

a. Adopt a resolution to include the following:

- (1) Authorize the sale of the State Public Works Board Lease Revenue Bonds.
- (2) Approve the form of and authorize the execution of the Construction Agreement between the Department of Corrections and the State Public Works Board.
- (3) Approve the form of and authorize the execution of a Facility Lease between the Department of Corrections and the State Public Works Board.
- (4) Authorize the use of interim financing to be repaid from the Public Works Board Construction Fund from the proceeds from the sale of bonds.

Total estimated project cost: \$5,530,000

Pulled.

BOND ITEM

STAFF ANALYSIS ITEM 1

Department of Corrections, California Institution For Men

Project Description

Adoption of this resolution authorizes interim financing to be repaid from the issuance of lease revenue bonds which provides for a water treatment facility at the California Institution for Men (CIM). This project is necessary to improve the drinking water quality supplied to CIM and the adjacent Heman S. Stark Youth Training School and California Institution for Women.

Funding and Project Cost Verification

Chapter 139/94 appropriated \$365,000 for preliminary plans and \$545,000 for working drawings from existing general obligation bonds. The construction amount (\$5,530,000) includes \$4,819,000 for construction contracts, \$241,000 for contingency, \$416,000 for project administration and \$54,000 for agency retained (guarding costs). This project is within cost.

Scope Verification

This project is within scope.

CEQA

A Notice of Exemption was completed and filed at the State Clearinghouse on July 12, 1995. The statute of limitations for legal challenges to the document ended on August 16, 1995 with no public comment.

Other

The wells that currently serve these institutions have elevated levels of nitrates, total dissolved solids, and hardness. Some wells also have volatile organic compounds. The additional facilities will include storage and process equipment, piping, ion exchange vessels and pumps. All toxic or hazardous materials removed from the water supply will be disposed of by licensed commercial waster services. Waste brine will be disposed of by connection to the existing Santa Ana Regional Interceptor non-reclaimable waste pipeline. The project does not substantially change water consumption at any of the institutions. The project schedule is as follows:

Preliminary plans approved:	April 20, 1995
Working drawings approved:	March 1, 1996
Start construction:	October 1997
Completion date:	May 1999

Staff Recommendation: **Approve resolution.**

BOND ITEMS

BONDS – ITEM 2

DEPARTMENT OF CORRECTIONS (5240)
SIERRA CONSERVATION CENTER, TUOLUMNE COUNTY
Wastewater Treatment Plant

*Authority: Chapter 55/93, Item 5240-301-746(19) as reappropriated by:
Chapter 139/94, Item 5240-491-746(6)
Chapter 282/97, Item 5240-301-0660(5)*

a. Adopt a resolution to include the following:

- (1) Authorize the sale of the State Public Works Board Lease Revenue Bond.
- (2) Approve the form of and authorize the execution of the Construction Agreement between the Department of Corrections and the State Public Works Board.
- (3) Approve the form of and authorize the execution of a Facility Lease between the Department of Corrections and the State Public Works Board.
- (4) Authorize the use of interim financing to be repaid from the Public Works Board Construction Fund from the proceeds from the sale of bonds.

Total estimated project cost: \$8,427,000

Pulled.

BOND ITEM

STAFF ANALYSIS ITEM 2

Department of Corrections, Sierra Conservation Center

Project Description

Adoption of this resolution authorizes interim financing to be repaid from the issuance of lease revenue bonds for a wastewater treatment facility at the Sierra Conservation Center (SCC). The project constructs a new wastewater treatment facility that improves the wastewater effluent quality to reduce the potential for effluent spill liability and to protect domestic water quality. The institution has been operating under a Cease and Desist Order issued by the Regional Water Quality Control Board due to poor quality effluent and the lack of treatment and disposal capacity during major storms. Construction includes new treatment facilities and modifications to existing facilities for improved solids handling. Major process components include screening, influent pumping, oxidation ditches, secondary clarifiers, tertiary filters, and chlorination/dechlorination facilities.

Funding and Project Cost Verification

Chapter 55/93 appropriated \$991,000 for a study (\$123,000), preliminary plans (\$455,000), and working drawings (\$413,000). Chapter 282/97 appropriated the construction amount (\$8,427,000) that includes \$7,076,000 for construction contracts, \$495,000 for contingency and \$856,000 for project administration. This project is within cost.

Scope Verification

This project is within scope.

CEQA

A Notice of Exemption was completed and filed at the State Clearinghouse on September 22, 1994. The statute of limitations for legal challenges to the document ended on October 27, 1994 with no public comment.

Other

Preliminary plans approved:	October 6, 1994
Working drawings approved:	July 31, 1995
Start construction:	October 1997
Completion date:	November 1999

Staff Recommendation: **Approve resolution.**

BOND ITEMS

BONDS – ITEM 3

DEPARTMENT OF CORRECTIONS (5240)

CALIFORNIA INSTITUTION FOR MEN, SAN BERNARDINO COUNTY

Revise a previous Board action

Authority: Chapter 282/97, Item 5240-301-0660(2)

- a. Revise previously adopted resolution to delete series reference**

Approved.

BOND ITEM

STAFF ANALYSIS ITEM 3

Department of Corrections, Revise previous Board action

The previously adopted resolution made specific reference to an issuance series. This action was for interim financing and therefore should not have been series specific.

Staff Recommendation: **Approve revision of previously adopted resolution.**

BOND ITEMS

BONDS – ITEM 4

UNIVERSITY OF CALIFORNIA (6440)

LEASE REVENUE BONDS

Authorize the issuance of University of California - Various Projects - 1997 B

Authority: Chapter 303, Statutes of 1995, 1995 Budget Act, Item 6440-301-660

a. Adopt a resolution to include the following:

- (1) Authorize the sale of State Public Works Board (SPWB) University of California - Various Projects 1997 B.
- (2) Approve the form of and authorize the execution of Site Leases with the Regents of the University of California.
- (3) Approve the form of and authorize the execution of Facility Leases with the Regents of the University of California.
- (4) Approve the form of and authorize the execution of Construction Agreements with the Regents of the University of California.
- (5) Approve the form of and authorize the execution of one or more Indentures or Supplemental Indentures, as needed.
- (6) Approve the form of and authorize the execution of Equipment Leases with the Regents of the University of California.
- (7) Approve the form of and authorize the execution and delivery of a Preliminary Official Statement and Official Statement.
- (8) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said lease revenue bonds.

Total estimated project costs: \$149,972,000

Approved.

BOND ITEM

STAFF ANALYSIS ITEM 4

Approval of this resolution will authorize the issuance of lease revenue bonds for nine construction and one equipment project for the University of California. Total project costs are \$149,972,000.

This resolution authorizes:

(1) Sale of bonds

(2) The form of and execution of:

- a) Site leases
- b) Facility leases
- c) Construction agreement
- d) Equipment leases
- e) Indentures or Supplemental Indentures

(3) The execution and delivery of:

- a) Preliminary official statement
- b) Official statement

(4) The Administrative Secretary to approve other related actions related to issuance.

The Administrative Secretary will provide specific information to the Board related to interest rates and maximum issuance amounts at the Board meeting. Specific projects are identified below:

Projects:

1. University of California, Berkeley, Dwinelle Hall Expansion - renovation
2. University of California, Berkeley, Doe Library Seismic Corrections, Step 2 - renovation
3. University of California, Davis, Environmental Services Facility - new construction
4. University of California, Irvine, Main Library Renovation and Seismic Improvements - renovation
5. University of California, Riverside, Science Library - new construction
6. University of California, San Diego, Bonner Hall Improvements - renovation
7. University of California, San Diego, UCSDMC North Annex Seismic Replacement Facility - new construction
8. University of California, San Diego, Engineering Building, Unit 2 - equipment
9. University of California, Santa Barbara, Physical Sciences Renovation - renovation
10. University of California, Santa Cruz, Improvements Arts & Facilities - new construction and renovation

CONSENT ITEMS

CONSENT – ITEM 5

DEPARTMENT OF GENERAL SERVICES (1760)

FOOD AND AGRICULTURE BUILDING, SACRAMENTO COUNTY

Fire and Life Safety Modifications

*Authority: Chapter 303/95, Item 1760-301-666(.5)
Chapter 139/94, Item 1760-001-666
Chapter 587/92, Item 1760-001-666
Chapter 118/91, Item 1760-001-666
Chapter 467/90, Item 1760-001-666*

a. Approve scope reduction and augmentation **\$206,000**
(11.9%, cumulative 19.8%)

\$1,933,000 project funding in place

\$206,000 proposed funding necessary: augmentation of Chapter 303/95,
Item 1760-301-666(5)

\$2,139,000 total estimated project cost

\$1,933,000 project costs previously allocated: study \$31,000; preliminary plans
\$30,000; working drawings \$156,000; and construction \$1,716,000
(\$1,200,000 contract, \$361,000 contingency, \$155,000 A&E) at
LSI 3544

\$206,000 to be allocated for construction

Pulled.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 5

Department of General Services, Food and Agriculture Building

Project Description

PWB approval will provide an augmentation necessary to complete the project, as well as acceptance of a revised project scope. The project provides for the correction of code deficiencies cited by the State Fire Marshal.

Funding and Project Cost Verification

Funds of \$1,737,000 were appropriated by Chapter 303/95, Item 1760-301-666 for working drawings and construction. The project was successfully bid on May 23, 1996 at 17.7 percent under the budget estimate for construction. Unforeseen asbestos abatement revealed during construction prompted change orders resulting in actual costs exceeding the appropriation. DGS chose not to seek augmentation of the project appropriation beyond the balance of bid savings available. Additional change order documentation was then developed to reduce the amount of work accomplished by the contractor in an effort to stay within the available funds. DGS and the Contractor were unable to reach agreement. The contractors services were terminated and DGS intends to complete the project with departmental staff.

The total estimated cost for the remaining work is \$602,000. There are \$396,000 project funds remaining upon termination of the original contract, leaving a balance of \$206,000 required to proceed. The additional funds required represent 11.9 percent of the original construction. Cumulative augmentation, including this request and \$134,000 in bid savings previously allocated, is 19.8 percent. A 20-day letter notifying the Legislature was sent out on September 19, 1997, and the waiting period expires on October 9, 1997.

Scope Change

Due to funding constraints, DGS proposes to revise the scope of work. The revised scope addresses the four areas of the building that are currently occupied and the State Fire Marshal concurs that the revised scope will satisfy the minimal requirements for building egress, and that additional fire and life safety modifications will accompany any future tenant improvement projects within the building.

CEQA

The project continues to be in compliance with CEQA.

Other

The project schedule is as follows:

Construction start:	October 1997
Construction complete:	May 1998

Staff Recommendation: Amend board action to “recognize project scope revision and approve augmentation” (PWB doesn’t approve scope changes).

CONSENT ITEMS

CONSENT – ITEM 6

DEPARTMENT OF BOATING AND WATERWAYS (3680)
SILVER STRAND STATE BEACH, SAN DIEGO COUNTY
Crown Cove Boating Instruction and Safety Center

Authority: Chapter 162/96, Item 3680-301-0516(4)
Chapter 282/97, Item 3680-301-0515(8)

a. Approve preliminary plans

b. Recognize anticipated deficit **\$110,000**
(7.95%)

\$225,000 project funding in place

\$1,493,000 funding to be determined in future budget

\$1,718,000 total estimated project cost

\$119,000 project costs previously allocated: preliminary plans

\$1,599,000 to be allocated: working drawings \$106,000 and construction
\$1,493,000 (\$1,279,000 contract \$89,000 contingency, \$125,000
A&E) at CCCI 3722

Approved.

CONSENT ITEM

STAFF ANALYSIS – ITEM 6

Department of Boating and Waterways, Silver Strand State Beach

Project Description

The project consists of the partial demolition of the existing structure and erection of a new 8,750 gross square foot boating instruction and safety center. The new facility, a single building, will be sited on the existing facility footprint, bounded by existing asphalt paved walkways on the northeast, southeast and west sides. The new facility will include: a concession area, lifeguard tower, boat storage areas, first aid station, multipurpose room, and restrooms. The project also includes landscaping within the site boundaries. Abatement of asbestos and lead-containing materials is included.

Funding and Project Cost Verification

The department is requesting that the Board recognize an anticipated deficit. Funds of \$119,000 were appropriated by Chapter 162/96, Item 3680-301-0516 (4) for the preparation of preliminary plans. Funds of \$106,000 were appropriated by Chapter 282/97, Item 3680-301-0516 (8) for working drawings. Based upon completed preliminary plans, the future estimated construction amount is \$1,493,000, or \$110,000 (7.95 percent over the estimate per 1997 supplemental language. The increase in construction is attributed to cost associated with hazardous materials abatement and escalation.

Scope Verification

The project is currently within scope.

CEQA

CEQA compliance has been met.

Other

The proposed project schedule is as follows:

Begin working drawings:	December 1997
Coastal Commission construction moratorium:	May 1998 through September 1998
Bid date:	September 1998
Completion date:	September 1999

Staff Recommendation: **Approve preliminary plans and recognize anticipated deficit.**

CONSENT ITEMS

CONSENT – ITEM 7

DEPARTMENT OF PARKS AND RECREATION (3790)

Ocotillo Wells State Vehicle Recreation Area, Imperial County

*Authority: Chapter 55/93, Item 3790-301-263(4) as reappropriated by
Item 3790-490, Budget Acts of 1996 and 1997*

a. Site selection and acquisition

Authorize site selection and acquisition of two tax-deeded parcels Nos. A12801 and A12802, DPR 695, OREDS No. 6622 and portion of 6329, comprising approximately 17.96 acres in Imperial County, for an amount not to exceed \$1680, plus all necessary administrative costs, for use by the Department of Parks and Recreation.

Approved.

CONSENT ITEM

STAFF ANALYSIS – ITEM 7

Department of Parks and Recreation, Ocotillo Wells State Vehicle Recreation Area

Project Description

This authorization will permit acquisition of two tax-delinquent parcels, approximately 17.96 acres, as additions to the Ocotillo Wells State Vehicular Recreation Area. This acquisition is one of several sought by the department to expand this recreation area. Acquisition is sought in fee.

Funding and Project Cost Verification

The acquisition has its authority through the Statewide Opportunity Purchase Account. Chapter 55/93, Item 3790-301-263 (4) as reappropriated by Chapter 162/96, Item 3790-490-0263 (1) and Chapter 282/97, Item 3790-490-0263 (2). Funds requested for acquisition: \$1680 (plus administrative costs estimated to be \$400). The project is within cost.

Scope Verification

The project is consistent with legislative authorization.

CEQA

The department certifies that the requirements of the California Environmental Quality Act have been met. A Categorical Exemption under the California Environmental Quality Act was filed on July 21, 1997 and the final review was concluded on August 26, 1997. No environmental hazard assessment was conducted as there were no indications or history of contamination.

Other

The sale price is less than the approved appraisal by DGS staff. The parcels are being sold by Imperial County for less than market value of \$9700. Imperial County's value is based upon delinquent property taxes owed to the county, together with the county's administrative costs associated with the transfer of title. Implied dedication was reflected in property valuation.

The department is not aware of any lawsuits pending concerning the property payment of the delinquent taxes will result in the county providing clear title to the property.

Staff Recommendation: Approve site selection and acquisition.

CONSENT ITEMS

CONSENT – ITEM 8

DEPARTMENT OF PARKS AND RECREATION (3790)

Van Damme State Park, Mendocino County

Authority: Chapter 282/97, Item 3790-301-0262(1)

a. Site Selection and Acquisition

Authorize site selection and acquisition of Parcel No. A13202 (DPR-1137), comprising approximately 41 acres. This is the second of four incremental transfers of control and possession to the Department of Parks and Recreation (DPR) of a 162-acre coastal inholding property in Mendocino County previously acquired in fee by the State Coastal Conservancy (SCC). DPR and SCC have entered into an Interagency Agreement that provides for the incremental transfer of property upon the completion of four equal payments to SCC of \$380,000.

Approved.

CONSENT ITEM

STAFF ANALYSIS – ITEM 8

Department of Parks and Recreation, Van Damme State Park

Project Description

This authorization will permit the transfer of control and possession of approximately 41 acres from the State Coastal Conservancy (SCC) to the Department of Parks and Recreation (DPR) as an addition to Van Damme State Park in accordance with the Interagency Agreement between DPR and the SCC (Contract No. A9722000). In 1996, the SCC purchased this property at the request of DPR. DPR agreed to acquire the property from the SCC in four installment payments. This represents the second installment.

Funding and Project Cost Verification

The project is currently within cost. Funds are available for the \$380,000 payment from Chapter 282/97, Item 3790-301-0262(1) appropriated for Habitat Conservation opportunity acquisitions. The acquisition is consistent with the requirements of both the funding sources, (the Habitat Conservation Fund and the California Environmental License Plate Fund), and with DPR's overall plan for the remaining fund balance.

Scope Verification

The project scope is consistent with DPR's authority to undertake this acquisition through its opportunity acquisition program.

CEQA

CEQA compliance has been met. See documentation provided for first increment.

Other

No environmental hazard assessment was conducted as there were no indications or history of contamination.

The property was appraised at a fair market value of \$2,252,500 by an independent appraiser. The appraiser found no evidence of continuous public use that might support a claim for implied dedication.

DPR has agreed to pay the SCC a total amount of \$1,520,000 in four equal payments of \$380,000 on or before June 30, 1997 and November 1, 1997 and November 1, 1998 and 1999. Control and possession of approximately 25 percent of the property will be transferred to DPR upon receipt of each of the incremental payments. This phase of the project does not include any improvements. The department is not aware of any lawsuits pending concerning the property.

Staff Recommendation: Approve site selection and acquisition.

CONSENT ITEMS

CONSENT – ITEM 9

DEPARTMENT OF PARKS AND RECREATION (3790)

Henry W. Coe State Park, Santa Clara County

*Authority: Chapter 282/97, Item 3790-301-0262(.5);
Public Resources Code Section 5907(b)(1)(G)
Chapter 258/94, Item 3790-301-722(1),
as reappropriated by Item 3790-490, Budget Acts of 1992 and 1995*

a. Site selection and acquisition

Authorize site selection and acquisition of Parcel No. A08601 (DPR-1118), comprising approximately 538 acres in Santa Clara County to be acquired in fee title, for use by the Department of Parks and Recreation.

Approved.

CONSENT ITEM

STAFF ANALYSIS – ITEM 9

Department of Parks and Recreation, Henry W. Coe State Park

Project Description

This authorization will permit acquisition of a 538 acre parcel as an addition to Henry W. Coe State Park to preserve the landscape and enhance recreational resources. The parcel, known as Hunting Hollow, is unimproved. The parcels will be acquired in fee simple.

Funding and Project Cost Verification

Acquisition funds and authority are available through Chapter 282/97, Item 3790-301-0262(.5) with reimbursements through the Habitat Conservation Fund; and Chapter 258/84, Item 3790-301-722(1), as reappropriated by Chapter 587/92, Item 3790-490-722(1) from the Parklands Fund of 1984, as reappropriated in Item 3790-490, Budget Acts of 1992 and 1995. The project is within cost.

Scope Verification

Project is consistent with legislative authorization.

CEQA

The department certifies that a Notice of Exemption was filed with the State Clearinghouse on December 8, 1995, declaring the project is categorically exempt from the EIR process (Class 16, Section 15316). The 35 day posting and review period was cleared on January 12, 1996. No environmental hazard assessment was conducted as there were no indications or history of contamination.

Other

The department holds a no-cost purchase option on the property and will exercise the option upon PWB approval of site selection and acquisition.

Seller desires to continue grazing cattle on the property and has made the sale conditional upon the department's agreement to amend a pre-existing grazing lease the seller has on adjacent state park property. The department is not opposed to continuation of the seller's grazing practices on the property and is agreeable to amending the ten year grazing lease agreement to include the subject property. The lease amendment will be granted pursuant to the authority of and in accordance with Section 5080.03 et seq. of the Public Resources Code. The lease amendment will be part of the final property acquisition agreement.

A public hearing in compliance with Section 5006.1 of the Public Resources Code was held by the department on February 6, 1997. No opposition to the proposed acquisition was expressed at that hearing.

The department is not aware of any lawsuits pending concerning the property. The property acquisition agreement will require the delivery of clear title to the State.

Staff Recommendation: Approve site selection and acquisition

CONSENT ITEMS

CONSENT – ITEM 10

DEPARTMENT OF HEALTH SERVICES (4260)

CONTRA COSTA COUNTY

Contra Costa - Phase II Laboratory Replacement Facilities

Authority: Chapter 162/96, Item 4260-301-0001(1)

Chapter 282/97, Item 4260-301-0001(1)

a. Approve preliminary plans

b. Recognize anticipated deficit **\$7,252,000**
(6.8%)

\$2,989,000 project funding in place: 1996/97 General Fund-Chapter 162/96; Item 4260-301-0001(1), preliminary plans

\$3,851,000 funding in place-1997/98 General Fund-Chapter 282/97; Item 4260-301-0001(1); working drawings

\$7,252,000 funding necessary

\$122,508,000 total estimated project cost

\$2,989,000 project costs previously allocated: preliminary plans

\$119,519,000 to be allocated: \$3,851,000 General Funds-working drawings; bond funds-construction \$115,668,000 (\$98,520,000 contracts, \$4,926,000 contingency, \$9,722,000 contract administration, testing and inspection; \$2,500,000 agency retained item

Approved.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 10

Department of Health Services - Phase II Laboratory Replacement Facilities

Project Description

PWB approval will allow working drawings to be developed for Phase II of the Richmond Laboratory in Richmond, California. The new facility will contain a total of 332,000 square feet, including 176,000 square feet of laboratory space; 106,000 square feet for an auditorium, offices and cafeteria; a 30,000 square feet warehouse; and 20,000 square feet of shops. Currently, DHS laboratory and related space needs in the East Bay Area (492,000 square feet) far exceed space available in the main Berkeley Complex, which contains approximately 210,000 square feet. In addition, the age, design and condition of the main facility present seismic and health and safety problems, and interfere with program delivery. The new lab will provide consolidated, modern lab facilities and will allow quality performance of laboratory functions.

Funding and Project Cost Verification

The project has a recognized anticipated deficit of \$7,252,000 for the construction phase, which represents 6.8 percent of total construction cost. The estimated total project cost is \$122,508,000. Chapter 162/96, Item 4260-301-0001 provided funding for preliminary plans (\$2,989,000); Chapter 282/97, Item 4260-301-0001 provided funding for working drawings (\$3,851,000). Estimated future construction costs are \$115,668,000 including \$98,520,000 for construction contracts; \$4,926,000 for contingency; \$9,722,000 for contract administration, testing, and inspection; and \$2,500,000 for agency retained items. The increased costs represent the present value cost of construction adjusted for inflation to the midpoint of construction.

Scope Verification

The project is within scope as approved by the legislature.

CEQA

The CEQA review period was completed on May 16, 1996. The CEQA Notice of Determination was filed on May 17, 1996 at the State Clearinghouse. There were no legal challenges to the project.

Other

The project is currently on schedule:

Working drawings complete	July 1998
Proceed to Bid	November 1998
Construction begins	January 1999
Construction complete	August 2001

Staff Recommendation: Approve preliminary plans and recognize anticipated deficit.

CONSENT ITEMS

CONSENT – ITEM 11

California Youth Authority (5460)

Southern Reception Center Clinic, Los Angeles County

50-Bed Intensive Treatment Living Unit and Support Facilities

*Authority: 1997 Budget Act Item 5460-301-0001(5),(6)
1996 Budget Act, Item 5460-301-0751(1.5)*

a. Approve preliminary plans

\$4,861,000 funding in place

\$4,861,000 proposed funding necessary

\$4,861,000 total estimated project cost

\$175,000 project costs previously allocated: preliminary plans

\$44,686,000 to be allocated: working drawings \$256,000, construction \$4,430,000
(\$3,519,000 contract, \$176,000 contingency, \$735,000 A&E costs-at CCI
3643)

Approved.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 11

California Youth Authority, 50-Bed Intensive Treatment Living Unit and Support Facilities

Project Description

This project provides for a new stand-alone 50-bed intensive treatment program unit at the Southern Reception Center and Clinic in Norwalk. In addition to the 50-bed living unit, the main building will include counseling, psychiatric and administrative/support areas, educational classrooms and food service facilities. Site work includes recreation yards and high level security features, including perimeter security fencing.

Funding and Project Cost Verification

The project is within cost. Funds of \$175,000 were appropriated by Chapter 162/96, Item 5460-301-0751 for preliminary plans of this project. Funds of \$4,686,000 were appropriated by Chapter 282/97, Item 5460-302-0001 for working drawings and construction. The estimated total project cost is \$4,861,000 including preliminary plans (\$175,000); working drawings (\$256,000); construction (\$3,519,000); contingency (\$176,000); A&E (\$735,000); at CCI 3643).

Scope Verification

The project is within scope.

CEQA

The CEQA review period was completed on August 13, 1997. The CEQA Notice of Determination was filed August 13, 1997 at the State Clearinghouse. The final date for any legal challenges has passed. There have been no challenges filed.

Other

The project schedule is as follows:

Working drawings:	December 1997
Bid date:	May 1998
Award Date:	July 1998
Completion date:	September 1999

Staff Recommendation: **Approve preliminary plans.**

ACTION ITEMS

12. Adopt a resolution declaring the State Public Works Board's official intent to reimburse certain capital outlay expenditures from proceeds of tax-exempt indebtedness.

Approved.

OTHER BUSINESS

13. Correspondence:
Audit Findings, Property Acquisitions

REPORTABLES

14. To be presented at meeting

ACTION ITEMS

12. Adopt a resolution declaring the State Public Works Board's official intent to reimburse certain capital outlay expenditures from proceeds of tax-exempt indebtedness.

Current Securities and Exchange Commission reimbursement regulations, effective for all bonds issued after March 2, 1992, require that (a) on or before the date of the expenditure to be reimbursed, the issuer of the bonds must declare its reasonable intent to reimburse such expenditure with tax-exempt bond proceeds (this requirement is called the "Official Intent Requirement"); (b) the bond proceeds be allocated to a particular expenditure no later than one year after the later of (i) the date on which the expenditure is paid and (ii) the date on which the financed property is placed in service; and (c) the expenditure to be reimbursed must be a cost chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles.

The Official Intent Requirement is satisfied by a valid "reimbursement resolution." A valid reimbursement resolution (a) declares that the issuer (or the 501(c)(3) borrower) reasonably expects to reimburse the expenditure with proceeds of a borrowing, (b) states that the resolution is intended to be a declaration of official intent within the meaning of the reimbursement regulations, (c) includes a general functional description of the project for which the expenditure to be reimbursed is paid, (d) states the maximum reasonably expected principal amount of reimbursement bonds to be issued for such purpose, and (e) is reasonably available for public inspection.

The State Public Works Board adopts a reimbursement resolution during the autumn months of each year in order to meet the foregoing requirements.

OTHER BUSINESS

13. Correspondence:
Audit Findings, Property Acquisitions

REPORTABLES

14. To be presented at meeting

Date:

Respectfully Submitted,

SHELLEY MATEO
Administrative Secretary